



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Ministry of Natural Resources and Environment

No. 8029/MONRE

Vientiane Capital, dated 17 December 2013

**Ministerial Instruction on the Process of Initial Environmental Examination of the
Investment Projects and Activities**

- Reference is made to Article 21 of the Law on Environmental Protection (Amended) No. 29/NA, dated 18 December 2012;
- Reference is made to the Government Decree on the Establishment and Function of the Ministry of Natural Resources and Environment No. 435/PM, dated 28 November 2011.

**The Minister of the Ministry of Natural Resources and Environment issues the
following Instructions:**

Part I

Objectives and Principles

1.1 Objectives of the Instruction

This Instruction is for implementing and extending the provisions prescribed under Article 21 of the Law on Environmental Protection (Amended) No. 29/NA, dated 18 December 2012. This Instruction aims to ensure the uniformity in the conductance of the Initial Environmental Examination by every Investment Projects and Activities of a public and private both domestic and foreign enterprises which operate business in Lao PDR that cause or are likely to cause environmental and social impacts. Those Investment Projects and Activities shall conduct the efficient Initial Environmental Examination Process, contribute to the sustainable socio-economic development of the country and shall mitigate and enhance the global warming adaptation.

1.2 Principles relating to Initial Environmental Examination Process of the Investment Projects and Activities

The Initial Environmental Examination Process of the Investment Projects and Activities shall be implemented pursuant to the following principles:

- The Project Owner shall be fully responsible for the conductance of the Initial Environmental Examination Process of the Investment Projects and Activities. The Project Owner shall obtain the Environmental Compliance Certificate approving the Initial Environmental Examination Report from the Provincial/Capital Department of Natural Resources and Environment prior to the construction of such proposed Investment Projects and Activities;

- The Project Owner shall conduct the Initial Environmental Examination Process strictly in compliance with every provision of this Ministerial Instruction, including the technical guidelines and other relevant laws and regulations;

- The Initial Environmental Examination Process of the Investment Projects and Activities shall be conducted by the domestic or the foreign Environmental Service Provider which have been established and operating pursuant to Article 44 and Article 45 of the Law on Environmental Protection (Amended);

- During the conductance of the Initial Environmental Examination, the Project Owner shall ensure strict Public Involvement and the consultation with the local administrations, the Project-Affected Persons and other related Stakeholders based on this Instruction, the Technical Guideline on Public Involvement and other relevant laws and regulations;

- The Project Owner shall ensure the implementation of the environmental and social mitigation measures as defined in the Environmental and Social Management and Monitoring Plan including shall be fully responsible for all the environmental and social impacts caused by the Investment Projects and Activities throughout the construction and operation phase of such Investment Projects and Activities;

- In case that the Project Owner intends to engage any contractors to perform any part of the Investment Projects and Activities, the Project Owner shall incorporate the detailed conditions in relation to the environmental and social management and monitoring measures into the engagement contract to ensure a fully compliant performance of such contractor. However, in all circumstances, the Project Owner shall remain fully responsible for any action or omission of the contractor, which results in the social and environmental impacts from the Investment Projects and Activities;

- During the construction or the operation phase of the Investment Projects and Activities, in case that the Provincial/Capital Department of Natural Resources and Environment considers that the Environmental and Social Management and Monitoring Plan does not include sufficient measures to mitigate and remedy the social and environmental impacts; and does not match the actual circumstance; or cannot achieve the anticipated objectives, the Provincial Department of Natural Resources and Environment will notify the Project Owner in writing of those issues including defining the timeline for the Project Owner to revise this plan. Then, the Project Owner shall

submit the revised Environmental and Social Management and Monitoring Plan to the Provincial Department of Natural Resources and Environment for re-approval;

- The Project Owner who intends to transfer its Investment Project and Activities (the former Project Owner) to other person (the new Project Owner) shall incorporate the detailed environmental and social measures defined in the approved Environmental and Social Management and Monitoring Plan of Investment Project and Activities into the ownership transfer contract for the new Project Owner to continue to complete the implementation of this plan;

- 6 months prior to the end of the investment period , the Project Owner shall inform the Provincial/Capital Department of Natural Resources and Environment to monitor and assess the implementation of the environmental and social mitigation measures undertaken by the Project Owner. In case that all the measures are fully and completely implemented and there is no residual environmental and social impact, the Provincial/Capital Department of Natural Resources and Environment will issue an Agreement Letter to the Project Owner. On the contrary, in case there is any residual impact remaining, the Provincial/Capital Department of Natural Resources and Environment will advise the Project Owner to continue to mitigate all of those residual impacts. Upon the completion of all residual impacts mitigation, the Project Owner will then be considered being released from the obligation to implement the environmental and social mitigation measures;

- In case that the Project Owner intends to expand its Investment Projects and Activities, either in the form of the establishment of the new component of the Investment Projects and Activities or the expansion of the area or size of the Investment Projects and Activities, such Project Owner shall be obliged to conduct the Initial Environmental Examination if such expanded Investment Projects and Activities is categorized at Group 1. The Project Owner shall comply with this Instruction and shall obtain the Environmental Compliance Certificate approving the Initial Environmental Examination report prior to the commencement of any operation in such expanded components.

Part II

Initial Environmental Examination Process

2.1 Screening of the Investment Projects and Activities

Screening is the first step in the Environmental Impact Assessment process and is the important step to determine whether or not the proposed Investment Project and Activities need any Environmental Impact Assessment. The details for the screening are as follows:

- The Project Owner shall apply the List of Investment Projects and Activities as the reference for the screening to determine which level of the Environmental Impact Assessment, the Project Owner shall conduct;

- In case the Investment Projects and Activities are not categorized in any group in the List of Investment Projects and Activities, the Provincial/Capital Department of Natural Resources and Environment shall apply a separate criteria to compare the environmental and social impacts by taking relevant information as specified in the investment application to conduct further screening to determine which level of the Environmental Impact Assessment such Investment Projects and Activities shall conduct or the Environmental Impact Assessment is not required;

- In case any Investment Projects and Activities are screened as not being required to conduct any Environmental Impact Assessment, the Provincial/Capital Department of Natural Resources and Environment will impose certain conditions or any requirement to the Project Owner for the implementation of the environmental and social management and monitoring plan.

2.2 List of Investment Projects and Activities

List of Investment Projects and Activities divides the Investment Projects and Businesses into 2 groups as follows:

- Group 1: Investment Projects and Activities that are anticipated to cause the insignificant or minimal environmental and social impacts; therefore, are required to conduct an Initial Environmental Examination Process;
- Group 2: Investment Projects and Activities that are anticipated to cause the significant or major environmental and social impacts; therefore, are required to conduct an Environmental and Social Impact Assessment Process.

List of Investment Projects and Activities categorizing these 2 groups of Investment Projects and Activities shall be prescribed separately in the Decision of the Ministry of Natural Resources and Environment.

2.3 Initial Environmental Examination Report (IEE Report)

After the screening, if the proposed Investment Projects and Activities categorized in group 1, Project Owner shall prepare the IEE Report to be conducted as follows:

- The Project Owner shall prepare the IEE Report in strict compliance with the process of Initial Environmental Examination which is specified in this Instruction, and the technical guidelines and the relevant laws and regulations;

- The Project Owner shall ensure that the Environmental and Social Management and Monitoring Plan are attached as one component in the IEE Report; provided that such Environmental and Social Management and Monitoring Plan shall be prepared in compliance with the conditions specified in Part II, Clause 2.5 of this Instruction and the relevant technical guideline; and

- The Project Owner shall prepare the IEE Report in Lao language to be accepted for review and issuance of the Environmental Compliance Certificate.

2.4 Review of the Initial Environmental Examination Report

The process for the review of the IEE Report shall be undertaken in the following steps:

- The Project Owner shall submit 1 set of an application and the final version of the IEE Report including the Environmental and Social Management and Monitoring Plan with comments gathered from the village/district consultation meeting to the related Provincial/Capital Department of Natural Resources and Environment , including attaching with the minutes from every consultation signed by the minutes taker representatives of the Project Owner, and related Provincial/Capital Department of Natural Resources and Environment;

- Within 10 business days, the Provincial/Capital Department of the Natural Resources and Environment shall conduct administrative review of and shall notify the Project Owner in writing of the result of review as follows:

- a. in case the IEE Report submitted is accurate and comprehensive, requesting the Project Owner to submit 15 or more IEE Reports both in hard and electronic copies to the related Provincial/Capital Department of Natural Resources and Environment for review;
- b. in case the IEE Report submitted is inaccurate and incomprehensive, requesting the Project Owner to revise the IEE Report before submitting the revised IEE Report to the related Provincial/Capital Department of Natural Resources and Environment for their re-consideration.

- The review of the IEE Report shall be completed within 40 business days from the date that the Project Owner submits every documents required above to the Provincial/Capital Department of Natural Resources and Environment; provided that such timeline will not include the period of time that the Project Owner takes to revise the IEE Reports . The review process shall be undertaken as follows:

- a. Within 5 business days, the related Provincial/Capital Department of Natural Resources and Environment shall distribute the IEE Report to the relevant lined agencies in the provincial/Capital level, the District/City Office of Natural Resources and Environment and other relevant Stakeholders for comments;
- b. Within 20 business days after the last date that the IEE Report is submitted to the relevant parties as specified in a. above, the relevant lined agencies at the provincial level, the District/City Office of Natural Resources and Environment and other relevant Stakeholders shall complete their review of the IEE Report and submit their comments to the Provincial/Capital Department of Natural Resources and Environment. If no comment is

submitted within such specified period of time, it is regarded that that party agrees with the above IEE Report.;

- c. The Provincial/Capital Department of the Natural Resources and Environment, in coordination with the Project Owner, shall hold the consultation meeting at the district/provincial level in due time during the review period. During such consultation meeting, the Project Owner will explain about the IEE Report. The representative from the Ministry of Natural Resources and Environment, the relevant departments in the provincial/capital level, the District/City Office of Natural Resources and Environment, the Project-Affected Persons and the relevant Stakeholders should be at present at such consultation meeting as appropriate. In addition, other technical meeting and the additional site inspection can be arranged if necessary;
- d. Provincial/Capital Department of Natural Resources and Environment based on the comments made in writing from technical meeting and consultation meeting including its review shall complete consideration of the IEE report within 15 business days in one of the following cases:
 - + Issuing Environmental Compliance Certificate to approve IEE report and Environmental and Social Management and Monitoring Plan with an agreement from the provincial/capital leaders , particularly, the Chairman of the Provincial/Capital Environmental Committee;
 - + Providing comments to the Project Owner to revise the IEE Report and re-submit the revised IEE Report to the Provincial/Capital Department of Natural Resources and Environmental for re-consideration;
 - + Providing comments to the Project Owner to continue preparing the Environmental and Social Impact Assessment if such Investment Projects and Activities are complicated or there is a potential to create substantial impacts;
 - + Rejecting the IEE Report in case the Provincial/Capital Department of Natural Resources and Environment considers that the result from the study and review of the IEE Report shows that environmental and social impacts of the proposed investment project and activities are substantial and severe which cannot be avoided ,and mitigated or are not in consistent with the National Environmental Policy or Strategic Plan of the Natural Resources and Environment Agencies;
- The Provincial/Capital Department of Natural Resources and Environment shall notify the result of the review of IEE report to the Project Owner in one of above items in heading d for information and send a copy to Ministry of Natural Resources and Environment and relevant level of Investment Management Organizations for information and follow-up.

2.5 Environmental and Social Management and Monitoring Plan (ESMMP)

In the preparation of the ESMMP, the Project Owner shall proceed as follows:

- Preparing a separate ESMMP to incorporate into the IEE Report. The ESMMP should be rightly conducted and reflected the procedure specified in Part II, Clause 2.5 of this Instruction and the relevant technical guidelines;
- Preparing the ESMMP in Lao language to be subject to review and consideration of issuing the Environmental Compliance Certificate;
- 6 months prior to the commencement of the operation phase of the Investment Projects and Activities, the Project Owner shall evaluate its implementation of the ESMMP during the construction phase. Subsequently, the Project Owner shall revise such ESMMP in strictly compliance with the circumstance of the operation phase and submit the revised ESMMP for the Operation Phase to the Provincial/Capital Department of Natural Resources and Environment for approval before any commencement of above operation.

2.6 Environmental Compliance Certificate

Environmental Compliance Certificate is the certificate approving the IEE Report and ESMMP of the Investment Projects and Activities that the Provincial/Capital Department of Natural Resources and Environment shall consider and issue.

The validity and the conditions of Environmental Compliance Certificate shall be conducted as follows:

- The Environmental Compliance Certificate shall become effective since the issuance date of the Certificate. However, if the Project Owner fails to commence any activities as specified in the project development plan as well as the Provincial/Capital Department of Natural Resources and Environment evaluates that the Investment Projects and Activities do not have any progress within 2 years after obtaining the Environmental Compliance Certificate, such certificate shall become void.

In case the certificate holder has the objectives to continue its Investment Project and Activities, such certificate holder shall apply for Environmental Compliance Certification again with Provincial/Capital Natural Resources and Environment, taking into consideration that re-application can only be done once. All the documents associated with IEE for application of ECC, shall be revised, especially the various data to reflect the actual circumstance for consideration before issuing the new ECC to the Project Owner.

- The Environmental Compliance Certificate approving the IEE Report shall be valid throughout the investment period of the Investment Projects and Activities; provided that such Environmental Compliance Certificate shall be terminated in case the Environmental Compliance Certificate approving the ESMMP is terminated or is not renewed;

- The Environmental Compliance Certificate approves the ESMP shall be valid for the period of 2 to 5 years, depending on the determination of the relevant Provincial /Capital Department of Natural Resources and Environment based on the impact severity of each type of the Investment Projects and Activities. Such Environmental Compliance Certificate can be renewed periodically throughout the investment period of the Investment Projects and Activities,

The Project Owner shall review and revise the ESMP pursuant to the actual circumstance of each period in the Investment Projects and Activities and submit the revised ESMP to the Provincial/Capital Department of Natural Resources and Environment for consideration and approval and the renewal of the Environmental Compliance Certificate. The consideration of renewal of the Environmental Compliance Certificate shall be completed within 15 business days, excluding the time that the Project Developer spends to revise the document;

- The Environmental Compliance Certificate shall contain certain conditions to be the obligations for the Project Owner to strictly comply with;

- In case that it is found that the Project Owner fails to comply with any conditions set out in the Environmental Compliance Certificate resulting in the substantial social and environmental impacts, the relevant Provincial/Capital Natural Resources and Environment, in the agreement from the Superior, shall be entitled to revoke or suspend the validity of the Environmental Compliance Certificate any time during the investment period of the Investment Projects and Activities or shall be entitled to propose to the investment competent authority to consider revoking the Concession Registration Certificate or the Enterprise Registration Certificate of such Investment Projects and Activities in case of the severe and dangerous social and environmental impacts are caused by the Investment Projects and Activities;

- The procedure for the revocation or suspension of the validity of the Environmental Compliance Certificate shall be undertaken as follows:

- + The Provincial/Capital Department of Natural Resources and Environment issuing the Environmental Compliance Certificate shall issue the warning to the Project Owner to resolve and improve any non-compliance found within 90 days from the issuance date of such warning including preparing the minutes with the Project Owner;
- + In case the Project Owner does not resolve and improve such non-compliance within the specified period of time above, the Provincial/Capital Department of Natural Resources and Environment shall issue the second warning to the Project Owner to resolve and improve the non-compliance within 60 days from the issuance date of such second warning and again, including preparing the minutes with the Project Owner;
- + Thereafter, if such non-compliance remains unremedied by the Project Owner within the specified period of time above, the Provincial/Capital Department of Natural Resources and Environment shall issue the notice to revoke or suspend the validity of the

Environmental Compliance Certificate of such Investment Projects and Activities and is entitled to stop the activities that cause the severe social and environmental impacts in coordination and agreement with the relevant investment competent authority.

2.7 Issuance of the Environmental Compliance Certificate for the Existing Investment Projects and Activities

For the Project Investments and Activities that are ongoing of construction or operation but still do not receive the Environmental Compliance Certificate prior to the effectiveness of this Instruction shall proceed as follows;

- The Provincial/Capital Department of Natural Resources and Environment are requested to collect the list of Investment Projects and Activities that are ongoing and categorized as Group 1 or Group 2 within its territory and submit such list to the Ministry of Natural Resources and Environment within 90 business days after the effectiveness of this Instruction;

- The Ministry of Natural Resources and Environment shall consider any conditions to be requested as follows:

- For the Investment Projects and Activities that do not cause any social and environmental impacts, the Ministry of Natural Resources and Environment shall notify the Project Owner to continue their business operation and give certain instructions in relation to the environmental and social management to the Project Owner shall to comply with and also submit a copy of such notice to the investment competent authorities and the Provincial/Capital Department of Natural Resources and Environment for information;

- For the Investment Projects and Activities that cause any social and environmental impacts, the Ministry of Natural Resources and Environment shall instruct the Project Owner to prepare and complete the Environmental and Social Management and Monitoring Plan within 120 business days.

- If the Project Owner cannot complete such ESMMP within the specified period of time, the Project Owner shall be subject to the sanctions as specified in Article 92, 93, 94, 95, 96 and 97 of the Law on Environmental Protection (Amended) No.29/NA, dated 18 December 2012 as appropriate;

- The Ministry of Natural Resources and Environment, in coordination with the relevant agencies from the central and local levels, shall review the proposed Environmental and Social Management and Monitoring Plan that the Project Owner prepared previously. Then, the result from such review shall be notified in writing to the Project Owner and a copy of such notification shall be submitted to the relevant investment competent agency and the relevant Provincial/Capital Department of Natural Resources and Environment for information.

2.8 Duties and Responsibilities of the Project Owner in the Initial Environmental Examination Process

In the Initial Environmental Examination Process, the Project Owner shall have the following duties and responsibilities:

- to conduct study on overall physical, biological and socio-economic aspects, including prediction of social and environmental impacts which may arise from the Investment Projects and Activities, by using information gained from the concerned sectors, local administrations and other sources, including information collected in the field survey and from consultations with the Project-Affected Persons and other Stakeholders, both at the central and local levels;

- to coordinate with the Provincial/Capital Department of Natural Resources and Environment who is directly responsible for the review of the IEE Report in undertaking the Public Involvement in strict compliance with Part II, Clause 2.10 and 2.11 of this Instruction and the relevant Public Involvement guideline and to ensure that there is no threat, coercion, force, violence, bribery or deception involved;

- to coordinate with the Provincial/Capital Department of Natural Resources and Environment who is directly responsible for the review of the IEE Report of the investment project and activities in arranging the dissemination meetings at the local and central level based on the instructions given by the relevant Provincial/Capital Department of Natural Resources and Environment to explain the development plan of the Investment Projects and Activities, the expected benefit, social and environmental impacts including summarizing and taking various minutes of comments from the Project-Affected Persons gained from the consultation meetings to incorporate into the IEE Report;

- to prepare the IEE Report including the ESMMP that defines all the protective and mitigation measures on social and environmental impacts;

- to arrange the consultation meetings at the village/district, district/provincial levels and the technical meeting if necessary, in coordination with the Provincial/Capital Department of Natural Resources and Environment who is directly responsible for the review of the IEE Report of Investment Projects and Activities to present IEE report with the participation of all the relevant parties at the central and local levels, including the Natural Resources and Environment Agencies at the central and local levels, line agency and the local administrations, and the Project-Affected Persons including other necessary Stakeholders;

- to revise and submit the final version of the IEE Report to the Provincial/Capital Department of Natural Resources of Environment who is directly responsible for the review of the IEE Report of any Investment Projects and Activities for review, consideration and approval prior to commencing any implementation of the Investment Projects and Activities;

- to strictly implement the environmental and social management and monitoring measures as specified under the ESMMP throughout the investment period of the Investment Projects and Activities;

- to revise the ESMMP periodically, in particular, during the time that the Project Owner prepares the renewal of the Environmental Compliance Certificate to the relevant Provincial/Capital Department of Natural Resources and Environment for their approval.

2.9 Duties and Responsibilities of the Governmental Agencies in relation to the Initial Environmental Examination Process

The Government Agencies associated with the Initial Environmental Examination Process include the Natural Resources and Environment Agencies and other lined agencies who have the following duties and responsibilities:

- a. Ministry of Natural Resources and Environment shall have the following duties and responsibilities:

- to create the legislatures, technical guidelines and other handbooks in relation to the Initial Environmental Examination Process to be used nationwide;

- to build up the technical skills on the Initial Environmental Examination to the staff at the Natural Resources and Environmental agencies at the local level;

- to provide technical guidance in relation to the preparation and review of the Initial Environmental Examination Report of environmental impacts to the Project Owner;

- to create the list of Investment Projects and Activities which shall conduct the environmental impact assessment and create standards for comparison of the social and environmental impacts while screening of investment projects and activities;

- to conclude and report the nationwide status of the activities associated with Initial Environmental Examination Process to the Government for information from time to time;

- to be central coordinator with the relevant Provincial /Capital Departments of Natural Resources and Environment with regard to IEE Process of environmental impacts covering areas of more than two provinces to determine which province will take lead in the review and the issuance of the Environmental Compliance Certificate approving the IEE Report and ESMMP.;

- to participate in the consultation meetings at the district/provincial levels to review the IEE Report;

- to provide cooperation and other additional assistance if proposed by the local Natural Resources and Environmental Agencies which are associated with preparation and the review of the IEE Report and ESMMP

b. Provincial/Capital Natural Resources and Environment shall have the following duties and responsibilities:

- to give technical guidance in relation to the preparation and review of the IEE Report to the Project Owner;

- to be the central coordinator with the relevant parties including cooperation and facilitation with the Project Owner in the survey and data collection within its provincial/capital jurisdiction for the preparation of the IEE Report and conducting the Public Involvement with the Project-Affected Persons and other Stakeholders;

- to cooperate with the Project Owner for the dissemination of information to explain the Project-Affected Persons to understand the objectives, expected benefits and potential social and environmental impacts of the Investment Projects and Activities;

- to take lead for the review and issuance of the Environmental Compliance Certificate to approve the IEE Report and its ESMMP;

- to participate in the field inspection and to be the host for arranging the technical meetings and other consultation meetings to review the IEE Report and ESMMP;

- to propose to the Superior to establish the technical committee or the ad-hoc committee at the provincial/capital level as necessary, such as the environmental monitoring unit, the public involvement unit, monitoring unit; and other units.

- to receive the complaints from the Project-Affected Persons and the other Stakeholders in relation to the preparation and review of the IEE Report and resolve the disputes based on its responsibility;

- to conclude and report the status of the work activities associated with Initial Environmental Examination Process to the leaders of Provincial/Capital administration and the Ministry of Natural Resources and Environment for information from time to time.

c. District/City Office of the Natural Resources and Environment shall have the following duties and responsibilities:

- to be the central coordination with the relevant parties including providing cooperation and facilitation to the Project Owner in the survey and data collection within its district/city jurisdiction for the preparation of the IEE Report of environmental impacts and conducting the Public Involvement with the Project-Affected Persons and the Stakeholders;

- to cooperate with the Project Owner in the dissemination of information, explaining to the Project-Affected Persons to understand the objectives, expected benefits and the social and environmental impacts that may arise from the Investment Projects and Activities;

- to participate in the field inspection; consider and give comments on IEE report and ESMMP including the co-hosting with the Provincial/Capital Department of Natural Resources and Environment in arranging the consultation meetings in coordination with the Project Owner, the District/City administrations and relevant villages to present the first and revised versions of IEE Report and its ESMP;

- to propose to the Superior to establish the technical committee or ad-hoc committee at the district level as necessary, such as the environmental monitoring unit, the public involvement unit, monitoring unit and other units;

- to receive the complaints from the Project-Affect Persons and the Stakeholders in relation to the preparation and review of the IEE Report and resolve the disputes based on its responsibility;

- to conclude and report the status of activities in relation to the Initial Environmental Examination Process to the leaders of district/city administration and the Provincial/Capital Department of Natural Resources and Environment for information from time to time.

d. Village Unit of the Natural Resources and Environment shall have the following duties and responsibilities:

- to be the central coordination with the relevant parties including cooperation and facilitation with the Project Owner in the survey and data collection within its village for the preparation of the IEE Report and conducting the Public Involvement with the Project-Affected Persons and the Stakeholders;

- to cooperate with the Project Owner in the information dissemination, explaining the Project-Affected Persons to understand the objectives, expected benefits and the social and environmental impacts that may arise from the Investment Projects and Activities;

- to participate in the field inspection and consider giving comments on the IEE Report; and to participate in the consultation meetings at each level;

- to propose to the Superior to establish the technical committee or the ad-hoc committee at the village level as necessary;

- to receive the complaints from the Project-Affected Persons and the Stakeholders in relation to the preparation and review of the IEE Report and resolve the disputes based on its responsibility;

- to conclude and report the status activities in relation to the Initial Environmental Examination Process to the head of the village and the District/City Office of the Natural Resources and Environment for information from time to time.

e. Other lined agencies at the local levels shall have the following duties and responsibilities:

- to participate in the field inspection and consider giving comments on the IEE Report and its ESMMP; and to participate in the technical meeting and the consultation meeting at each level;

- to contribute the technical staff in the technical or ad-hoc committees as required;
- to participate in the grievance redress committee to resolve the disputes relating to the Initial Environmental Examination Process based on the responsibility of line agencies.

2.10 Public Involvement of the Project-Affected Persons and the Stakeholders

The Project-Affected Persons and the Stakeholders shall have the following participation in the Initial Environmental Examination Process:

- to receive information on the development plan of the Investment Projects and Activities, the benefit to be received, the social and environmental impacts that may arise from the Investment Projects and Activities;
- to cooperate and provide information on local context of social and environmental aspects in the area of the Investment Projects and Activities and in the nearby locations to be used in the preparation of the IEE Report and ESMMP;
- to receive information in relation to the IEE Report and ESMMP including the progress report on the implementation of mitigation measures of the environmental and social impacts;
- to participate in the field inspection and to be the main party participating in the consultation meetings at all levels to give comments on the preparation and review process of the IEE Report and ESMMP;
- to make a written complaint to the local administration at each level to resolve the social and environmental impacts caused by the Investment Projects and Activities;
- to participate in the monitoring activities which will be conducted to ensure the implementation of the environmental and social impacts and report to the Natural Resources and Environmental Agencies at the local levels for information in case there are social and environmental impacts .

2.11 Public Involvement Process

The Provincial/Capital Department of the Natural Resources and Environment which are directly responsible for the review and the issuance of the Environmental Compliance Certificate approving the IEE Reports and ESMMP, has the duty to conduct public involvement process with the Project-Affected Persons and the Stakeholders by coordination with local administrations in each level and the Project Owner to be undertaken pursuant to the following steps of the Initial Environmental Examination Process:

- During the process of data collection for the preparation of the IEE Report and ESMMP, the dissemination meeting shall be held for the Project-Affected Persons and the Stakeholders in various forms both in Lao language and local language to explain the development plan of the Investment Projects and Activities, the benefits to be gained and the social and environmental impacts; and to gather the comments from the Project-Affected Persons and other Stakeholders;

- During the process of the preparation and review of the IEE Report and ESMMP, the consultation meetings shall be held at the village/district and district/provincial levels in consistent with the review process of the IEE Report and ESMMP to give an opportunity for the Project-Affected Persons and the Stakeholders to have comments on the first to the final IEE Report and ESMMP;

- During the start of operation of the Project, the Project Owner shall inform the Project-Affected Persons and other Stakeholders of the activities conducted in the Investment Projects and Activities which are likely to cause the social and environmental impacts. In addition, the Project Owner shall create conditions to allow the Project-Affected Persons and other Stakeholders to have access to general information about the Investment Projects and Activities;

- During the preparation for the closure of the Investment Projects and Activities, the Project Owner shall inform the Project-Affected Persons and other Stakeholders of the implementation of the closure and rehabilitation plan of their Investment Projects and Activities including giving the right to the Project-Affected Persons and other Stakeholders to provide comments about the achievements and remaining issues relating to the implementation of environmental and social management and monitoring plan of the Project Owner throughout the investment period of the Investment. . This is regarded as one of the conditions for relevant Provincial/Capital Department of Natural Resources and Environment to issue the letter to confirm the end of the Investment Projects and Activities.

2.12 Funding Obligations of the Project Owner

The Project Owner shall be obliged to provide sufficient funding for all of these budget items:

- The costs for the Initial Environmental Examination as conducted by the Project Owner, Environmental Service Provider and State Organizations such as: the cost for field inspection, dissemination meetings, consultation meetings at the village/district, district/provincial, technical meetings and other activities undertaken in relation to the Public Involvement;

- The certificate fees and service charges payable for the issuance of the Environmental Compliance Certificate; provided that the Project Owner shall pay a certificate fee once upon the obtainment of such Environmental Compliance Certificate. In addition, the Project Owner is required to pay a service charge for every renewal of the Environmental Compliance Certificate approving the ESMMP;

- The costs incurred for the implementation of the environmental and social mitigation measures as specified under the ESMMP and under the conditions of the Environmental Compliance Certificate including the obligations of the Project Owner and the Governmental organizations;

- The costs incurred for the monitoring activities of the implementation of mitigation measures of the environmental and social impacts as proposed under the ESMMP and the implementation of any conditions defined in the Environmental Compliance Certificate including the monitoring conducted by the Project Owner, and Governmental organizations pursuant to the provision of Part II Clause 2.18 and 2.19 of this Instruction, including the cost for capacity building and equipment as well as necessary vehicles for the monitoring activities of the Governmental organizations at the relevant local levels.

2.13 Management of the Fees and Service Charges

The Provincial/Capital Department of Natural Resources and Environment issues and approves the renewal of the Environmental Compliance Certificate shall have the duty to collect the fees and service charges from the Project Owner at the rate as prescribed under the Presidential Edict on Fees and Service Charges.

All the fees and service charges shall be put into the State Treasury. In case the Provincial/Capital Department of Natural Resources and Environment needs to use the technical service fees collected, the department will prepare the budget utilization plan and submit to the Superior for approval as appropriate.

2.14 Information Provision

- The Project Owner shall keep, create, update and submit every information relating to the Initial Environmental Examination of its Investment Project and Activities in both hard and electronic copies to the Provincial/Capital Department of Natural Resources and Environment responsible for the review of the IEE Report and ESMMP;

- The Project Owner shall be fully responsible for the accuracy, clarity, comprehensiveness and reliability of all the information that it creates relating to the Initial Environmental Examination Process of its Investment Projects and Activities.

2.15 Reporting Obligations

Throughout the investment period of the Investment Projects and Activities, the Project Owner shall perform the following reporting obligations:

- The Project Owner shall prepare and submit the report periodically such as : a monthly report, quarterly report and annually report as specified in the Environmental Compliance Certificate issued for each Investment Projects and Activities. Those reports shall include important contents as follows:

- + the progress, breach or omission including the results of its self-monitoring in the implementation of mitigation measures of the environmental and social impacts as specified under the ESMMP including the conditions defined in the Environmental Compliance Certificate and other relevant contracts;
 - + the difficulties confronted by the Project Owner during the implementation period of the environmental and social measures; and
 - + other circumstances as necessary.
- For the report prepared in relation to the IEE Report, the Project Owner shall submit those reports in 3 sets or more as requested to the Provincial/Capital Department of Natural Resources and Environment.
 - For accidents, emergency, incidents or any breach on the environmental aspects of the Project Owner which have occurred resulting in the severe social and environmental impacts, the Project Owner shall prepare and submit the incident report to the Provincial/Capital Department of Natural Resources and Environment within 24 hours since the Project Owner becomes aware of such incidents.

2.16 Information Disclosure to Public

- The Project Owner shall publicly disclose the information relating to the Project Owner; the social and environmental impacts; the obligations and mitigation measures of environmental and social impacts ; the IEE Report and ESMMP; other reports that the Project Owner preparing and submitting to the Governmental Agencies; the monitoring result of implementation of measures; budget provided for the Initial Environmental Examination and budget for the implementation of mitigation measures of the environmental and social impacts as specified under the ESMMP; any breach of any obligation or any measure committed by the Project Owner; and other information requested to be disclosed by the Governmental Organizations to the public.
- The information that the Project Owner shall disclose to the public shall be prepared in Lao and local languages as much as possible.
- The relevant Provincial/Capital Department of Natural Resources and Environment shall be entitled to reserve the right not to disclose any information relating to privacy of any individual, information relating to the property or commercial rights of the Project Owner.
- In case that the Project Owner does not want to disclose any information as required above, the Project Owner shall submit the written request, attached with those information that they do not want to disclose, to the Provincial/Capital Department of Natural Resources and Environment for consideration whether or not to allow the Project Owner not to disclose such information. If any information is considered information not to be disclosed, such information shall be kept confidential for the

period of time as agreed between the relevant Provincial/Capital Department of Natural Resources and Environment and the Project Owner.

2.17 Monitoring Organizations

The monitoring organizations shall include the following organizations:

- Monitoring by the Project Owner;
- Monitoring by the Governmental organizations, including:
 - + monitoring from the local Natural Resources and Environmental agencies which are the lead agencies to conduct direct monitoring to the Project Owner in the implementation of mitigation measures of the environmental and social impacts as specified under the ESMMP attached to the IEE Report;
 - + other local line agencies.

2.18 Self-Monitoring by the Project Owner

- The Project Owner shall be obliged to firstly take lead in monitoring before any organizations by concluding and reporting the status of monitoring, the implementation of the mitigation measures of environmental and social impacts of investment project and activities as specified under the ESMMP and the Environmental Compliance Certificate to the Provincial/Capital Department of Natural Resources and Environment for information from time to time as specified in the Environmental Compliance Certificate.

- If necessary in case of the IEE Reports, the Project Owner shall establish the environmental management office and the public involvement office in order to ensure the efficient implementation and the performance of the implementation, management and monitoring of mitigation measures of environmental and social impacts , proceeding effective communication based on its Management assigned.

2.19 Governmental Monitoring Organizations

Governmental Monitoring Organizations shall have the duty to monitor in relation to the implementation of mitigation measures of the social and environmental impacts under the ESMMP and the conditions defined in the Environmental Compliance Certificate; provided that the detailed duties of each organization shall be as follows:

a. Provincial/Capital Department of Natural Resources and Environment shall have the following monitoring duties:

- to take lead in monitoring in relation to direct implementation of mitigation measures of the environmental and social impacts under the ESMMP attached to the

IEE Report, including the field inspection, self-monitoring, consideration for giving comments on self-monitoring progress reports of the Project Owner;

- to delegate the mandate for monitoring and allocate budget to the District/City Office of Natural Resources and Environment and Village Unit of Natural Resources and Environment to be responsible for the monitoring of the ESMMP attached in the IEE Report;

- to consider and propose to the Superior to establish the project environmental monitoring unit and the Provincial public involvement unit at the provincial/capital level if necessary to proceed the tasks of environmental management and monitoring and conducting communication.;

- to conclude and report the status from the monitoring of each Investment Projects and Activities to the leaders of provincial/capital administration and the Ministry of Natural Resources and Environment for information and directive from time to time; and

- to perform the tasks of monitoring as delegated by the Superior to the Department of its responsibility.

b. District/City Office of Natural Resources and Environment shall have the following monitoring duties:

- to be central monitoring of the implementation of the mitigation measures of impacts under the ESMMP attached to the IEE Report within boundary of district's responsibility;

- to consider and propose to the Superior to establish the project environmental monitoring unit at the district/city level if necessary to perform the tasks of environmental management including monitoring;

- to conclude and report the status of the monitoring of Investment Projects and Activities to the district/city administration and the Provincial/Capital Department of Natural Resources and Environment for information and directive from time to time; and

- to perform duty of monitoring as delegated by Superior to the Office of its responsibility.

c. Village Unit of Natural Resources and Environment shall have the following monitoring duties:

- to be the central monitoring of the implementation of mitigation measures of the environmental and social impacts management and monitoring measures under the ESMMP attached to the IEE Report within its village boundary;

- to consider and propose to the higher level administration to establish the project environmental management unit at the village level if necessary to conduct the tasks of the environmental management including the work of monitoring;

- to conclude and report the status of the monitoring activities to the village administration and the District/City Office of Natural Resources and Environment for information and directive from time to time; and

- to perform the monitoring works as delegated by the higher level of administration to the Unit of its responsibility.

d. The relevant local lined agencies shall have the following monitoring duties:

- to participate in the monitoring team which is led by the relevant Natural Resources and Environmental Agencies to monitor and implement the mitigation measures of environmental and social impacts under the ESMMP attached to the IEE Report associated with line agencies' scope of responsibility;

- to consider and contribute technical staff to the environmental monitoring units at different levels as proposed ;

- to conclude and report the status of monitoring of the Investment Projects and Activities within their mandates and responsibilities to their agencies for information from time to time;

- for the main investment competent agencies of the Investment Projects and Activities, in addition to the participation in the monitoring team led by the Natural Resources and Environmental Agencies, such competent agencies shall be entitled to conduct their monitoring directly based on their own legislatures.

2.20 Scope of the Authority of the Governmental Monitoring Organizations

The Governmental Monitoring Organizations shall have the following scope of authorities:

- to send their staff or their consultants to the site of the Investment Projects and Activities or the Project Owner's office at any time; provided that the advance notice will be submitted to the Project Owner, except in case of an emergency circumstances which is likely to impose the substantial social and environmental impacts in which the monitoring units shall be entitled to have access into the site without any advanced notice;

- to take photos, to record voice, to take samples from the Investment Projects and Activities for testing, to inspect the computers and other equipment of the Project Owner, to review all the documents, to interview staffs and to undertake any other activities as appropriate;

- in case that the Project Owner has non-compliance with the obligations of the implementation of mitigation measures of environmental and social impacts as specified under the ESMMP and the Environmental Compliance Certificate, the relevant Governmental Monitoring Organizations shall be entitled to issue the warning to the Project Owner and issue notice to the Project Owner to strictly comply with the advice given in the warning . If the Project Owner does not comply with such warning, the

Environmental Compliance Certificate will be revoked or suspended pursuant to the steps prescribed under Part II Clause 2.6 of this Instruction.

Part III

Final Provisions

3.1 Implementation

The Ministry of Natural Resources and Environment delegates the authority to the Provincial/Capital Department of Natural Resources and Environment to be the central authority to coordinate with other local lined agencies to efficiently disseminate, scale up and implement this Instruction.

The related natural persons, legal entities and organizations, both in private and public sectors, shall acknowledge and implement this Instruction strictly.

The agencies that own the state-invested projects shall ensure sufficient budget for the conductance of the Initial Environmental Examination, the environmental and social management and monitoring for their Investment Projects and Activities.

3.2 Effectiveness

This Instruction shall be effective from the date of sign out onwards. Any decisions, provisions and regulations that contradict with this Instruction shall be revoked.

Minister of the Ministry of Natural Resources and Environment

Noulinh SINBANDHIT